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Melissa E. Newman  
Vice President - Federal Regulatory

*Ex Parte*

May 24, 2000

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Re: Federal -State Joint Board on Universal Service: Promoting Deployment  
and Subscribership in Unserved and Underserved Areas, Including Tribal and  
Insular Areas, CC Docket No. 96-45.

Dear Ms. Salas:

Pursuant to 47 C.F.R. Section 1.1206(b)(1) of the Federal Communications Commission's ("Commission") rules, this letter provides notice of an oral *ex parte* presentation in connection with the above captioned proceeding. On Wednesday, May 10, 2000, Melissa Newman, Steven Beck, Greg Smith and Pamela Hedlin met with Mark Nadel, Robert Loube and Lisa Boehley of the Commission. The purpose of the meeting was to discuss the impact of the Commission's April 17, 2000 NEWS release in the proceeding referenced above, FCC Chairman Kennard and Commissioner Gloria Tristani Joined President Clinton In Announcing a Plan To Provide Local Phone Service For As Low As \$1 A Month In Indian Country, A Promise to Make Sure No Corner of America Is Left Behind. The NEWS release and attached Fact sheet expressed the desire to make local phone service available to all members of Indian tribes for as low as \$1 per month and to encourage the build-out of telecommunications infrastructure.

While U S WEST has had a very limited time to study this complex issue, it has been able to arrive at some basic observations, regarding implementation, which follow:

According to the NEWS Release and the attached Fact Sheet "Indian Lifeline Service," an additional discount on basic, local phone service will be available for income-eligible members of federally-recognized Indian tribes who reside on reservations in order to provide local service "for as low as \$1 per month." U S WEST believes the following would be necessary to successfully implement such a Tribal Lifeline program:

- (1) Full cost recovery for this program from the federal Universal Service Fund (in contrast to the high cost support program elected by the Commission).
- (2) Changes to Section 54.400 rules to reflect the new tribal Lifeline program.
- (3) A change to Section 54.411 of the Link Up program to cover 100% of installation charges up to \$60, as well as sufficient funding for this initiative.



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- (4) A Further Notice of Proposed Rulemaking ("FNPRM") to address support for special construction charges to serve Tribal areas and to address right-of-way issues on tribal lands. These two issues are potentially substantial barriers to installing service in tribal areas, and are not mentioned in the NEWS Release.
- (5) Billing USOCs and programming edits to implement the discount for this particular class of customer (tariff changes will be required in each state to recognize the new program). These changes will take a minimum of eight months.
- (6) Coordination with the Bureau of Indian Affairs (BIA) to identify qualifying tribal members.
- (7) Any initiative should be technologically neutral, as well.

The foregoing recommendations are discussed further in the attached guidelines.

In accordance with the Commission's rules, two copies of this letter and attached implementation guidelines are being filed.

Sincerely,

Handwritten signature of Melissa E. Newman in cursive script, followed by the initials "JKB".

Melissa E. Newman  
Vice President-Federal Regulatory  
U S WEST

Attachment

Copy:

Larry Strickling  
Carol Matthey  
Katherine Schroder  
Lisa Boehley  
Mark Nadel  
Dorothy Attwood  
Jordan Goldstein  
Kyle Dixon  
Kathy Brown  
Sarah Whitesell  
Rebecca Beynon  
Robert Loube

**U S WEST Communications, Inc.'s Proposed Guidelines for  
Tribal Lifeline Reform and Related Issues**

**1. FULL COST RECOVERY FOR THIS AND RELATED PROGRAMS  
FROM THE FEDERAL UNIVERSAL SERVICE FUND.**

The Tribal Lifeline program initiative has great potential to increase subscribership on reservations. However, the \$17 million estimated cost in the NEWS release is not even close to sufficient to bring local rates as low as \$1 on reservations. Based on the Commission's NEWS Release, this program could benefit "over 300,000 households." That would allot only \$56 per qualifying reservation household per year. U S WEST's experience indicates this will be woefully insufficient to make a substantial dent in the subscribership crisis on reservations. Moreover, full federal funding will allow the program to be implemented much faster than it would be if state participation were required.

**2. CHANGES TO THE COMMISSION'S RULES ARE NECESSARY TO  
IMPLEMENT THE TRIBAL LIFELINE PROGRAM.**

U S WEST recommends the adoption of the following rule changes:

**§ 54.400 Terms and definitions.**

As used in this subpart, the following terms shall be defined as follows:

- (a) Qualifying low-income consumer. A "qualifying low-income consumer" is a consumer who meets the low-income eligibility criteria established by the state commission, or, in states that do not provide state Lifeline support, a consumer who participates in one of the following programs: Medicaid; food stamps; supplemental security income; federal public housing assistance; or Low-Income Home Energy Assistance Program. *Tribal members living on reservations who meet the Bureau of Indian Affairs' General Assistance Criteria also meet this definition.*

...

**§ 54.403 Lifeline support amount.**

...

- (e) *Qualified low-income consumers who are tribal members living on reservations may elect to the Tribal Lifeline program instead of the baseline Lifeline program. The Tribal Lifeline support amount shall equal [\$10-\$12] per month.*

...

**§ 54.409 Consumer qualification for Lifeline.**

(a) To qualify to receive *baseline* Lifeline service in states that provide state Lifeline service support, a consumer must meet the criteria established by the state commission. The state commission shall establish narrowly targeted qualification criteria that are based solely on income or factors directly related to income.

(b) To qualify to receive *baseline* Lifeline in states that do not provide state Lifeline support, a consumer must participate in one of the following programs: Medicaid; food stamps; Supplemental Security Income; federal public housing assistance; or Low-Income Home Energy Assistance Program. In states not providing state Lifeline support, each carrier offering Lifeline service to a consumer must obtain that consumer's signature on a document certifying under penalty of perjury that consumer receives benefits from one of the programs mentioned in this paragraph and identifying the program or programs from which that consumer receives benefits. On the same document, a qualifying low-income consumer also must agree to notify the carrier if that consumer ceases to participate in the program or programs.

*(c) To qualify to receive Tribal Lifeline in any state, a consumer must be a tribal member living on a reservation and must also meet the Bureau of Indian Affairs' General Assistance criteria.*

The Tribal Lifeline program will be more successful if a federal credit of \$10 to \$12 a month is offered, in order eliminate the affordability barrier. Toll restriction must also be available at no additional charge to waive the deposit requirement.

**3. CHANGES TO THE COMMISSION'S LINK UP PROGRAM RULES ARE NECESSARY. U S WEST RECOMMENDS THE ADOPTION OF THE FOLLOWING RULE CHANGES:**

**§ 54.411 Link Up program defined.**

(a) For purposes of this subpart, the term "Link Up" shall describe the following assistance program for qualifying low-income consumers, which an eligible telecommunications carrier shall offer as part of its obligation set forth in §§ 54.101(a)(9) and 54.101(b):

(1) *Baseline Link Up*: A reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence. The reduction shall be half of the customary charge or \$30.00, whichever is less; *and*

(2) *Deferred Payment:* A deferred schedule for payment of the charges assessed for commencing service, for which the consumer does not pay interest. The interest charges not assessed to the consumer shall be for connection charges of up to \$200.00 that are deferred for a period not to exceed one year. Charges assessed for commencing service include any charges that the carrier customarily assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements; *and*

(3) *Tribal Link Up:* A reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence. The reduction shall be 100% of the customary charge or \$60.00, whichever is less.

(b) *Baseline Options:* A qualifying low-income consumer who is not a tribal member living on a reservation may choose one or both of the programs set forth in paragraphs (a) (1) and (2) of this section.

(c) *Tribal Options:* A qualifying low-income consumer who is a tribal member living on a reservation may choose:

(1) *the program set forth in paragraph (a)(2) of this section; or*

(2) *one of the programs set forth in paragraphs (a)(1) or (3) of this section; or*

*both (1) and (2) of this subparagraph (c).*

(d) A carrier's Link Up program shall allow a consumer to receive the benefit of the Link Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously.

...

#### **§ 54.415 Consumer qualification for Link Up.**

(a) In states that provide state Lifeline service, the consumer qualification criteria for *baseline* Link Up shall be the same criteria that the state established for Lifeline qualification in accord with § 54.409(a).

(b) In states that do not provide state Lifeline service, the consumer qualification criteria for *baseline* Link Up shall be the same as the criteria set forth in § 54.409(b).

*(c) In all states, the consumer qualification for Tribal Link Up shall be the same as the criteria set forth in § 54.409(c).*

The current cap of 50% or \$30 will not be sufficient to support installation and construction charges in rural areas. The federal Tribal Link Up program should cover 100% of the installation charges, up to \$60.

**4. FURTHER INVESTIGATION INTO FEDERAL SUPPORT FOR SPECIAL CONSTRUCTION CHARGES TO SERVE TRIBAL AREAS AND RIGHT-OF-WAY ISSUES IS CRITICAL.**

The Link Up program does not cover any special construction charges associated with installing facilities to the reservations. This may be a very substantial barrier to higher subscribership on reservations in U S WEST's territory. U S WEST has not yet had sufficient time to assess the issue. A new FNPRM is therefore necessary to address the additional support needed to overcome the special construction hurdle. Another issue the FNPRM should address is access to right-of-ways and cost of that access, which has historically been a barrier to deployment.

Special construction projects require time and planning. U S WEST is optimistic that carriers will receive a rush of orders for new service to the reservations. While every attempt will be made to promptly install service, carriers should be assured that the new "held orders" will not be included in service quality reports.

**5. CARRIERS WILL NEED EIGHT MONTHS TO IMPLEMENT THE CHANGES TO BILLING SYSTEMS AND STATE TARIFFS.**

U S WEST is in the process of designing updates to our billing system that will provide credit USOCs that facilitate implementation of programs like the Tribal Lifeline Program. Credit USOCs are currently used in seven U S WEST states and this update will make them available in all 14 states. The update is scheduled to be completed in four months. Once this update is completed, the necessary programming and testing can begin to implement the tribal Lifeline Program.

U S WEST is currently scheduling work for the November billing system program release. By the time we receive the detailed requirements for the Tribal Lifeline Program we expect to be scheduling the December billing system release. Therefore, December will be the earliest that we can implement the Tribal Lifeline Program. We expect that several USOCs will be required to implement this program, based on the different classes of Residential Service along with new USOCs for the Link-Up Program to handle increased benefits for non-recurring charges. New USOCs are necessary to allow the

Commission to track the success of the federal Tribal Lifeline program and to give the appropriate credits.

The state tariffs can be filed prior to December with December effective dates to coincide with the billing system changes.

**6. THE BUREAU OF INDIAN AFFAIRS (BIA), THE COMMISSION AND THE ETCS MUST COORDINATE EFFORTS TO IDENTIFY QUALIFIED LOW-INCOME TRIBAL MEMBERS AND TO INCREASE AWARENESS OF THE TRIBAL LIFELINE PROGRAM.**

For the program to be a success, there must be coordination between the Commission, Eligible Telecommunications Carriers ("ETC") and the Bureau of Indian Affairs ("BIA"). The BIA is a crucial stakeholder in the program. In addition, BIA is the sole possessor of information regarding tribal members' qualifications that is necessary for the program to be implemented effectively. Based on an *ex parte* filed May 3, 2000 by NITI, U S WEST believes the BIA's General Assistance criteria may be a starting place for identification of qualifying, low-income tribal members. The Commission should work with the BIA, as the BIA and the ETCs are both key stakeholders in Tribal Lifeline.

The Commission and the carriers will work with the BIA to develop an information sheet on the new program. The BIA would then be responsible for the mailing of information and a self-certification form to the qualifying tribal members. An electronic form shared between the BIA and each ETC would be used to communicate qualifying current and potential subscribers, as well as to verify continued eligibility for the program.

In addition, the Indian Telecom Training Initiative (ITTI 2000) seminar provides an excellent opportunity to provide information on the Indian Lifeline program.

**7. TECHNOLOGICAL NEUTRALITY**

Provision of the service should be via the least cost, most-efficient carrier. By initiating a FNPRM addressing special construction charges, the Commission can arrive at a mechanism to determine which carrier/technology is best able to serve. Additionally, regardless of technology used to provide service, eligible telecommunications carriers must be assured full, up-front recovery of construction charges from the federal program.